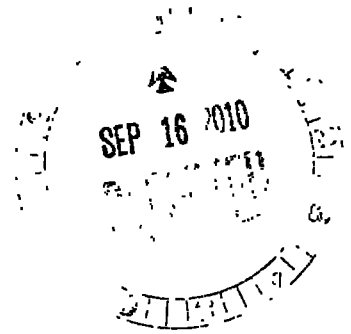


RECORDATION NO. 29472 FILED

SEP 16 10 -12 03 PM

SURFACE TRANSPORTATION BOARD



## FIRST UNION RAIL

One O'Hare Centre  
6250 River Road, Suite 5000  
Rosemont, IL 60018-4214

September 14, 2010

Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street, S.W., Suite 100  
Washington, DC 20423-0001  
Attn: Recordation of Railroad Equipment

Re: **Memorandum of Lease Agreement**

Dear Section Chief:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are one (1) original and two (2) copies of a Memorandum of Lease Agreement dated March 22, 2010, a primary document as defined in the Board's Rules for the Recordation of Documents. Please file this Memorandum of Lease as a primary document since a Master Lease has not been filed with the Surface Transportation Board. The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation  
One O'Hare Centre  
6250 N. River Rd., Suite 5000  
Rosemont, IL 60018

Lessee: Essar Steel Algoma Inc.  
105 West Street  
Sault Ste Marie, ON P6A 7B4  
Canada

A description of the railroad equipment covered by the enclosed document is for one hundred (100) 42' interior length, covered coil cars; having FURX marks (see Exhibit A for car numbers).

A short summary of the document to appear in the index follows: **Memorandum of Lease**

Also enclosed is a check in the amount of \$41.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions regarding the above-referenced matter, please contact me at (847) 384-5397. Thank you for your cooperation in this matter.

Sincerely,

Marcia Dunne  
Senior Rail Documentation Specialist

Enclosure

(ESST001A/B)

SEP 16 '10 -12 05 PM

ASSGN. NO.: ESST001

SURFACE TRANSPORTATION BOARD

**MEMORANDUM OF LEASE  
RIDER NO. 1**

**THIS MEMORANDUM OF LEASE** (the "Memorandum of Lease") is made and entered into as of March 22, 2010 by and between the Montreal branch of First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Essar Steel Algoma Inc. ("Lessee"), a Canadian corporation.

**WITNESSETH:**

The undersigned Lessor and Lessee have entered into that certain Lease Agreement dated as of March 22, 2010 (the "Lease") and Rider No.1 thereto dated as of March 22, 2010 (the "Rider"), whereby Lessor has agreed to lease to Lessee certain railcars as more particularly described in Exhibit A attached hereto and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider which are incorporated herein by reference.

**IN WITNESS WHEREOF**, the parties hereto have each caused this Memorandum of Lease to be duly executed by their respective officers duly authorized as of the date and year first above written (and each of the undersigned declares under penalty of perjury that he or she holds the title indicated below and that the execution of this Memorandum was the free act and deed of its corporation).

**LESSOR:**

FIRST UNION RAIL CORPORATION

Name: SUSAN A. BARRIE  
Title: REGIONAL VICE PRESIDENT, SALES  
Signature: [Signature]

**LESSEE:**

ESSAR STEEL ALGOMA INC.

Name: CLARENCE M. BURNSIDE  
Title: General Manager, Corporate Logistics, Packaging & Services  
Signature: [Signature]

**EXHIBIT A**  
**to**  
**MEMORANDUM OF LEASE**

NUMBER OF CARS:                      One hundred (100).

DESCRIPTION OF CARS:              42' interior length covered coil cars. All cars are 286,000 lb.  
GRL, 116-ton load limit.

CAR NUMBERS:

FURX 380601	FURX 380664	FURX 380801	FURX 380849
FURX 380607	FURX 380673	FURX 380802	FURX 380856
FURX 380618	FURX 380679	FURX 380803	FURX 380881
FURX 380622	FURX 380681	FURX 380804	FURX 380886
FURX 380623	FURX 380686	FURX 380805	FURX 380914
FURX 380626	FURX 380690	FURX 380806	FURX 380915
FURX 380627	FURX 380693	FURX 380808	FURX 380916
FURX 380628	FURX 380701	FURX 380811	FURX 380917
FURX 380632	FURX 380710	FURX 380812	FURX 380921
FURX 380633	FURX 380714	FURX 380813	FURX 380925
FURX 380634	FURX 380719	FURX 380815	FURX 380931
FURX 380635	FURX 380720	FURX 380818	FURX 380935
FURX 380636	FURX 380721	FURX 380819	FURX 380936
FURX 380637	FURX 380724	FURX 380824	FURX 380941
FURX 380640	FURX 380726	FURX 380826	FURX 380948
FURX 380643	FURX 380729	FURX 380830	FURX 380949
FURX 380646	FURX 380731	FURX 380834	FURX 380954
FURX 380647	FURX 380732	FURX 380835	FURX 380966
FURX 380649	FURX 380734	FURX 380838	FURX 380970
FURX 380650	FURX 380739	FURX 380839	FURX 380972
FURX 380651	FURX 380741	FURX 380841	FURX 380973
FURX 380656	FURX 380790	FURX 380842	FURX 380989
FURX 380658	FURX 380797	FURX 380843	FURX 380993
FURX 380661	FURX 380799	FURX 380847	FURX 380994
FURX 380663	FURX 380800	FURX 380848	FURX 380995